DEPARTMENT OF THE ARMY



U.S. Army Corps of Engineers WASHINGTON, D.C. 20314-1000

CEPR-ZA (715)

8 March 2002

MEMORANDUM FOR COMMANDER/DIRECTORS, ALL USACE COMMANDS, ATTN: DIRECTOR/CHIEFS OF CONTRACTING

SUBJECT: PARC Instruction Letter 2002-07, Military Interdepartmental Purchase Requests (MIPRS) Memorandum

- 1. Reference enclosed Memorandum dated 4 March 2002, SAB.
- 2. This PARC Instruction Letter 2002-07 is issued to reemphasize the guidance on obtaining contract support to fulfill requirements for supplies and services when a requiring activity is considering using another agency's contracts and providing funds via MIPR. The enclosed memorandum supercedes all previous guidance on the subject (previously provided under the subject Contract Offloading Clarification and dated March 18, 1996.)
- 3. The POC for this PIL is Sylvia J. Moody, CEPR-P, 202-761-4700, e-mail: sylvia.j.moody@hq02.usace.army.mil.

FOR THE COMMANDER:

Encl

BUNNATINE H. CREENHOUSE

Principal Assistant Responsible

for Contracting



DEPARTMENT OF THE ARMY OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY ACQUISITION LOGISTICS AND TECHNOLOGY 103 ARMY PENTAGON WASHINGTON DC 20310-0103

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Military Interdepartmental Purchase Requests (MIPRs)

A recent Department of Defense Inspector General audit report identified deficiencies in local policies and procedures governing the use and control of Military Interdepartmental Purchase Requests (MIPRs.) The report found that local policies and procedures did not adequately address acquisition planning, offloading, funding, and controls to ensure that MIPRs are properly executed.

This memorandum provides guidance on obtaining contract support to fulfill requirements for supplies and services when a requiring activity is considering using another agency's contracts and providing funds via MIPR. It supercedes all previous guidance on the subject (previously provided under the subject Contract Offloading Clarification and dated March 18, 1996.)

Army requiring activities shall obtain their acquisition and contract support from the Army or DoD organization best suited to satisfy their requirements in terms of technical capability, quality, cost (including administrative support costs charged by the procuring/servicing activity), and timeliness.

Before an Army requiring activity fulfills a requirement by using another agency's contract or contracting services, it shall first give its supporting contracting office the opportunity to execute and manage the procurement action. The supporting contracting office will take a best value approach to the requirement, and will consider all acquisition alternatives, including contracting directly with a private source or using another agency's contracts or services.

Contract offloads and Economy Act transactions normally involve administrative costs that the servicing agency imposes as a fee (usually a percentage of the requirement's cost.) These administrative fees must be considered when determining whether the use of an Economy Act order is in the Government's best interest.

Specific guidance regarding the use of MIPRs is available in the Federal Acquisition Regulation (FAR) subpart 17.5 and the Defense Federal Acquisition Regulation Supplement subpart 217.5 - "Interagency Acquisitions Under the Economy Act," DoD Instruction 4000.19 - "Interservice and Intragovernmental

Support," and DoD 7000.14R - DoD Financial Management Regulations (FMRs), Volume 11A, Chapter 3 - "Economy Act Orders," and should be consulted prior to pursuing a contract offload or Economy Act transaction.

Questions concerning this guidance should be directed to Bill Kley at (703) 681-1035, DSN 761-1035, or email bill.kley@saalt.army.mil.

Kenneth J. Oscar Deputy Assistant Secretary of the Army (Policy and Procurement)

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 - National Guard Bureau, ATTN: NGB-AQ, Suite 8300, Jefferson Plaza 1, 1411 Jefferson Davis Highway, Arlington, VA 22202-3231
 - Assistant Deputy Chief of Staff for Research, Development and Acquisition (Acquisition, Contracting and Program Management), HQ, U.S. Army Materiel Command, ATTN: AMCRDA-A, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001
 - Chief, Contract Policy Team, Headquarters, U.S. Army Materiel Command. ATTN: AMCRDA-AP, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001
 - Chief, Program Management and Acquisition Support Office, Headquarters, U.S. Army Materiel Command, ATTN: AMCRDA-AM, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001